m1003/0016

Scrivanich Natural Stone

PO Box 2174

Woodinville, WA, 98072

Cont # SCRIVNS982C1

Tel 425-486-5222 Fax 425-488-692

July, 15, 2015

Dear District Ranger and minerals administrator,

Oakley Mountain Corp, dba, Scrivanich Natural Stone has entered into an agreement with the owners of the Dove Creek Quarry, represented by David Morris, to quarry flagstone from the property. As of now it looks like we should start operations on or around the 1st of August, 2015.

As I am sure you are aware the current plan of operations is very restrictive and under this plan our operations will be limited. We intend to file a new plan of operations in the fall of 2015 and hopefully have the new plan approved sometime in 2016.

Until the new plan is approved David Morris will be the operator of record and his reclamation bond will remain in place. We will essentially be working as a subcontractor on the property.

Once the new plan of operations is in place we will then make the change to us becoming the operator of record and to move the Bond into our name.

Rest assured we will at all times comply with all laws, regulations, permits and authorizations associated with the quarry and our operations.

If you have any concerns or need anything from me I am always available, 425-770-1197, or my quarry manager in Oakley, Sara Zollinger is available as well 208-431-3818.

We are very experienced with conducting operations on federal lands. Our intention is to make this operation as smooth as possible for everyone involved.

Lang A

Sincerely

Larry Scrivanich

Oakley Mountain Corp.

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JUL 1 6 2015

Div. of Oil, Gas & Mining

MINING LEASE

THIS AGREEMENT (hereinafter "Agreement") entered into this 1st day of May, 2015 by and between Oakley Mountain Corporation, doing business as Scrivanich Natural Stone, an Idaho Corporation and/or assigns, and Rosen Valley Rock LLC (hereinafter "Owner").

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties inter into this Agreement on the terms set forth below:

- The parties acknowledge that Owners own certain mining claims for operation of mining Quartzite stone on approximately 40 acres located on property known as Dove Creek Quarry along with the loading/shipping yard, located in Box Elder County, Utah. Attached hereto is a copy of the mining claims and the same is incorporated herein by reference.
- 2. The parties acknowledged that Scrivanich is a mining, materials processing, materials transportation, and materials-extraction business, and desires to enter into this Agreement with Owners for the purpose of obtaining exclusive mineral mining, processing, transportation and material extraction rights to the above-described property.
- 3. Owners, pursuant to this agreement and the consideration expressed below, grants Scrivanich an exclusive lease with the exclusive right to, explore, extract, transport and for the processing of all kinds of ores and materials located on the property, including by not limited to Quartzite flagstone and building stone, and Scrivanich agrees to pay royalties to the Owners for the materials it mines and/or extracts from the property.
- 3.1 This exclusive agreement shall not include waste material, which the owner shall continue to have the right to use to create a crushed rock product or any other product. Scrivanich will make all reasonable efforts to accommodate owners use of waste material.
- Scrivanich shall mine said property in accordance with the terms and conditions set forth in this agreement.
- 5. The terms of this lease shall be for three (3) years commencing on the date this Agreement is executed, and ending three (3) years thereafter. In addition Scrivanich shall have a five-year renewal option. At the expiration of the first, Scrivanich shall have one hundred twenty (120) days from that date within which to notify Owners of its intent

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Div. of Oil, Gas & Mining

to exercise the option to renew this lease. In any such renewal period, the terms and conditions of this lease shall continue to be in full force and effect.

- 6. In each lease year including years within any extended term, Scrivanich shall make royalty payments as follows:
 - 6.1 Ten dollars (\$10.00) per ton for each ton of material shipped and sold from the property.
- 6.2 1000 ton annual minimum mining requirement to maintain exclusive mining rights. Annual royalty payment of \$10,000 satisfies this requirement.

Any and all payments shall be paid in currency of the United States and a check made out to Dave Morris and accounted for by Scrivanich to owners on a monthly basis, due 30 days from the end of the month, commencing at the end of the first full month following the commencement of this agreement, and at the end of each month thereafter for the term of this agreement.

- 7. Owner hereby lets to Scrivanich an exclusive lease with the right to mine and extract minerals from the property during the term of this lease, in accordance with the terms and conditions set out in this agreement and pursuant to all applicable governmental regulations, statutes, and laws. All reclamation and cleanup expenses are the sole responsibility of Scrivanich.
- 7.1 Owner hereby agrees not to take any action in violation of the Mining Claims or applicable law nor to take any action which would in any way adversely affect Scrivanich's ability to extract materials from the property.
- 8. Subject to the terms and conditions of this agreement, in conducting its mining activities, Scrivanich has the right to do the following:
 - 8.1 Mine, explore, extract, remove, and otherwise haul away material from the property as provided in this agreement;
 - 8.2 Stockpile, grate, sort, load, blend, crash, strain, screen, process and transport the materials mined and extracted by Scrivanich hereunder; and

- 8.3 Excavate, build roads, install power lines, lay pipelines, construct buildings, install plants and washing facilities and all other improvements reasonably necessary for the mining and extraction of materials from the property under this Lease
- 8.4 Scrivanich further agrees to mark all stones taken from this property and not to mix the same with stone that is mined from other areas that are not the subject of this contract. Scrivanich will provide copies of weights for all stone taken from this property to the Owners with each monthly payment. Scrivanich agrees to allow Owners to audit its sales and to verify scale accuracy to establish the amount of stone that is taken from this property and sold to Scrivanich's customers.
- 9. During the term of this lease, including any extended term, Scrivanich shall pay any and all mining bond costs and/or maintenance fees associated with its use of the property. Owner agrees to file a notice of intent with the Forest Service.
- Scrivanich may use any existing private roads or right-of-ways existing on the property for purposes allowed under this agreement.
- 11. Owners hereby expressly acknowledges and warrants to Scrivanich that Owners owns the mining claims, including subsurface mineral rights, in fee simple, and has full authority to enter into this agreement and grant Scrivanich the rights and interest expressed to herein. Owners further acknowledges and warrants that he has obtained all necessary permits and/or satisfied any and all governmental requirements, requisite for mining material on the property.
- 12. Neither party hereunder has the authority to obligate the other. This agreement shall not be deemed to create a partnership or joint venture between the parties.
- 13. The covenants, terms, and conditions for this lease shall run with the land and be in all respects binding and operation on all assignees, subleases and grantees under the parties as designated in this agreement.
- 14. All of the conditions, covenants and agreements in this lease contained herein shall be binding upon the heirs, assigns, and successors of both parties.

- 15. This agreement constitutes the entire agreement between the parties. This agreement may not be altered, amended or revoked except in writing signed by both parties.
- 16 Both parties agree that disputes arising out of, or relating to this lease, or breech thereof, shall be decided by arbitration, in accordance with the rules of the American Arbitration Association then in effect, unless the parties agree otherwise. It is also agreed that disputed payments shall be made to an interest bearing trust or escrow account to be distributed when the issue is resolved without creating a default condition.
- 16.1 Scrivanich shall have the option to terminate this lease in the event Scrivanich comes to the determination that the claims are not commercially viable.
 - 17. In the event that the Lessee does not remedy any default of this lease within sixty (60) days after receipt of written notice, Lessor may terminate this agreement. Notice of default and notice of termination shall be conclusively presumed to be delivered, upon deposit in the United States mail, certified or registered mail, return receipt requested. Termination shall not affect Lessors right to receive payment for all material removed from the property or otherwise enforce this agreement with respect to the Lessee's obligations and duties.
 - 18. The assignment of this lease requires the approval of the owner, the approval of which shall not be unreasonably denied.
 - All covenants and agreements contained in this lease shall extend to and be binding on the heirs, legal representatives, successors and assigns of other parties.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

OAKLEY MOUNTAIN CORP. d/b/a Scrivanich Natural Stone An Idaho corporation

By: LARRY SOLIVANIUN

Its: Phes

Larry Scrivanich, President

STATE OF WASHINGT	ON)	
) ss.	CORPORATE ACKNOWLEDGEMENT
COUNTY OF KING)	

On this day personally appeared before me Larry Scrivanich, to me known to be the individual who executed the within and foregoing instrument as duly appointed Oakley Mountain Corp. d/b/a Scrivanich Natural Stone President for Oakley Mountain Corp. d/b/a Scrivanich Natural Stone, and acknowledges that he/she signed the same as his/her free and voluntary act and deed and on oath stating that his/her powers authorizing the execution of this instrument have not been revoked.

GIVEN under my hand and official seal the 21 ST day of APRIL

2007 2015

WE NOTARY

ANN BARTAINING PUBLIC OF WASHING

PRINTED NAME

NOTARY PUBLIC in and for the State of Washington,

residing at WOODINVIL My Commission Expires:

	A Utan corporation
	By:
	Its:
By: David Morris, Manager	is Manager-Rosen Valley Rock
STATE OF Utah)	
) ss.	
County of Box Elder)	
On the 1471 day of	APNI (, 2007, before me, the undersigned,
	tate, personally appeared David Morris, know to me to b
	ribed to the within and foregoing instrument, and
acknowledged to me that he exe	
IN WITNESS WHEREC	DF, I have hereunto set my hand and affixed my official
seal the day and year in this inst	
	A Notary Public of Utah
	residing at
	My commission expires: